

Message Text

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R 120644Z AUG 74

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC 1831

INFO USLO PEKING

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

CINCPAC HONOLULU HI

C O N F I D E N T I A L SECTION 1 OF 2 HONG KONG 8994

CINCPAC FOR POLAD

NOFORN

E.O. 11652: XGDS-3

TAGS: PINT, PFOR, CH, US

SUBJECT: LEADERSHIP TRENDS AND SINO-U.S. RELATIONS

SUMMARY. TRENDS IN THE CHANGING CHINESE LEADERSHIP ARRANGEMENT SUGGEST A GREATER DICHOTOMY BETWEEN POLICY MAKING AND EXECUTION. TENG HSIAO-PING IS MOVING INTO CHOU'S SHOES ON THE STATE SIDE, BUT MORE AS A CARETAKER AND WITHOUT THE HIGH PARTY STATUS CHOU HAS ENJOYED.

ON THE PARTY SIDE, THE CULTURAL REVOLUTIONISTS ARE MAKING A BID TO INCREASE THEIR POWER, BUT WITH ONLY MARGINAL SUCCESS THUS FAR. WE DOUBT THAT THEY HAVE A DEVELOPED FOREIGN POLICY AND SUSPECT THAT THEY THREAD THEIR WAY BETWEEN ADHERING TO PRINCIPLES MAO SUPPORTS AND MAKING ISSUES OUT OF MISTAKES THAT OCCUR. UNDER THE CIRCUMSTANCES, INITIATIVES AND IMAGINATION ON THE CHINESE
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SIDE PROBABLY CAN COME ONLY FROM MAO. END SUMMARY.

1. CHANGES TAKING PLACE WITHIN THE CHINESE LEADERSHIP ARRANGEMENT HAVE PROBABLY HAD SOME EFFECT ON THE WAY THE REGIME FUNCTIONS IN DEALING WITH FOREIGN AFFAIRS. ALTHOUGH WE CANNOT SEE THE ULTIMATE SHAPE OF THOSE CHANGES NOW, AND WE BELIEVE THAT THE TRANSITION TO NEW LEADERS WILL NOT BE EASY AND SMOOTH, THERE ARE SOME CURRENT TRENDS WHICH AT THIS POINT SEEM LIKELY TO EXTEND INTO THE FALL.

2. FOR SEVERAL MONTHS NOW, CHOU EN-LAI HAS NOT BEEN THE CENTRAL FIGURE HE WAS IN PEKING AND ALTHOUGH HIS INFLUENCE IS STILL STRONG, A TRANSFER OF RESPONSIBILITIES HAS BEEN TAKING PLACE. THERE IS STRUGGLE INVOLVED IN THIS PROCESS, BUT THERE ARE ALSO SIGNS, SUCH AS THE COORDINATED STAGING OF CHOU'S REDUCED ACTIVITY, WHICH INDICATE CAREFUL PLANNING AND CONTROL. SETTING ASIDE THE ULTIMATE OUTCOME, WE THINK AN IMMEDIATE SHORT TERM CONSEQUENCE OF THE TRENDS IS A WEAKENING OF THE UNIFIED STATE AND PARTY AUTHORITY WHICH CHOU CONDUCTED SINO-U.S. RELATIONS UP TO THIS POINT.

3. THE PROSPECTIVE NEW ARRANGEMENT FOR STATE LEADERSHIP LOOKS TO BE CARETAKER IN NATURE AND RESOLVED IN FAVOR OF VETERAN CADRES. THE TREND ON THE PARTY SIDE LOOKS TO BE LONGER TERM BUT CONTENTIOUS, AND TO FEATURE A BID TO PLACE THE YOUNGER GENERATION OF LEADERS, THE CULTURAL REVOLUTIONISTS, IN POWER. THE DICHOTOMY ON THE CHINESE SIDE BETWEEN POLICY MAKING AND EXECUTION IS LIKELY TO BE GREATER NOW THAN IT WAS LAST YEAR.

4. TENG HSIAO-PING IS THE MAN MOVING INTO CHOU'S SHOES ON THE STATE SIDE, AND THERE HAVE BEEN REPORTS THAT TENG WILL BE MADE PREMIER BEFORE THE YEAR IS OVER. HE IS CURRENTLY SHARING THE DAILY DUTIES OF THE OFFICE WITH LI HSIEN-NIEN. WE HAVE NOTHING TO INDICATE HOW THE TWO WORK TOGETHER; TENG DRAWS THE TOP FOREIGN AFFAIRS ASSIGNMENTS WITHIN THE PREMIER'S OFFICE, WHILE LI STILL OUTRANKS HIM WITHIN THE PARTY.

5. TENG WAS ONLY REHABILITATED LAST YEAR AND HE CARRIES THE SCARS OF HIS POLITICAL DISGRACE DURING THE CULTURAL REVOLUTION WHEN MAO AS WELL AS OTHERS CRITICIZED HIM. A NUMBER OF FOREIGN LEADERS HAVE MET TENG AS A RESULT OF HIS INCREASED PROMINENCE
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AND ACTIVITY THIS YEAR, BUT WE HAVE HEARD NONE EXCLAIM OVER THE IMPRESSION HE MADE. SOME, LIKE ARCHBISHOP MAKARIOS, SEEMED TO HAVE TROUBLE REMEMBERING HIM AFTERWARDS.

6. TENG, AS THINGS STAND NOW, WILL ALSO BE WEAKER POLITICALLY THAN CHOU WAS BECAUSE OF TENG'S LOWER PARTY STANDING IN ADDITION TO HIS IMMEDIATE PAST BACKGROUND. THE SAME REPORTS WHICH FORECAST TENG'S MOVE INTO THE PREMIERSHIP ALSO SEEM TO ENVISION NO UPWARD

MOVE FOR HIM IN PARTY STANDING. JUDGING FROM THESE SOURCES, TENG WILL NOT BE GIVEN THE POLITBURO STANDING COMMITTEE STATUS WHICH CHOU HAS ENJOYED. IT SEEM UNLIKELY THAT TENG WILL IN THE NEAR FUTURE, IF EVER, RISE TO BE SECOND OR EVEN THIRD TO THE CHAIRMAN, AS CHOU HAS BEEN. PRESENT ODDS ARE THAT TENG WILL REMAIN WELL DOWN IN POLITBURO RANK, SUBORDINATE WITHIN THE HIERARCHY TO THOSE WHO ARE BELIEVED TO HAVE PARTICIPATED IN HIS EARLIER POLITICAL DISGRACE.

7. IN SHORT, TENG AS PREMIER IS UNLIKELY TO BE CONFIDENT OR TO INSPIRE CONFIDENCE. COMPARING NOTES WITH COLLEAGUES HERE, WE SPECULATE THAT TENG IN LEADING THE CHINESE SIDE IN TALKS WITH FOREIGN OFFICIALS HAS CONSTRUED HIS AUTHORITY NARROWLY, STUCK CLOSELY TO HIS BRIEF, AND REFERRED EVERYTHING BACK TO MAO AND, POSSIBLY, BEYOND MAO TO KEY ELEMENTS IN THE NASCENT SUCCESSOR LEADERSHIP WITHIN THE PARTY. UNDER THE CIRCUMSTANCES, TENG DOES NOT APPEAR TO BE CREATIVE, BUT ONLY A CONDUIT. NUANCE, RELATIVE TO WHAT IT WAS WORTH WITH CHOU, IS PROBABLY LOST ON TENG WHO WOULD HESITATE TO PASS IT ALONG EXCEPT AS STRAIGHT REPORTAGE DEVOID OF ANY DECISIVE PERSONAL INTERPRETATION.

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8. THIS ASSESSMENT OF TENG SLIGHTS HIS PAST AND PROBABLE PRESENT WORTH AS A STATESMAN, BUT WE BELIEVE IT REFLECTS THE REALITIES OF THE SITUATION TENG IS IN. ODDS ARE THAT AT 70 TENG'S POLITICAL AMBITIONS ARE LIMITED AND THAT HE VIEWS HIMSELF AS A CARETAKER CAPABLE OF IMPROVING LITTLE UPON THE OPPORTUNITIES WHICH FATE DEALS HIM.

9. IT IS CONCEIVABLE THAT IN A CATAclysmic SUCCESSION CRISIS IN CHIAN, TENG COULD EMERGE AS A RALLYING POINT FOR MODERAJ WUBKPY A IERVATIVE FORCES. BUT IF TENG CONTEMPLATES SUCH A POSSIBILITY THEN THIS WOULD BE EVEN MORE REASON FOR HIM TO PLAY IMPASSIVELY HIS ROLE IN THE NEXT ROUND OF SINO-U.S. TALKS. TENG DID NOT PIONEER THE NORMALIZATION OF OUR RELATIONS, NOR IS HE KNOWN TO HAVE ANY FIXED POSITION ON IT; HE WAS REHABILITATED AFTER THE FACT. HE PROBABLY HAS TO BE LESS CONCERNED WITH DELIVERING THE NEXT STEP IN NORMALIZATION THAN WITH BEING SURE
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THAT THE STEP HAS OVERWHELMING SUPPORT IN A LEADERSHIP CONSENSUS. IN SUM, TENG SHOULD PROVE AN HONEST LITERAL CONVEYER OF WHAT WE SAY, BUT A RELATIVELY UNIMAGINATIVE DIALOGIST WHERE SUBTLETIES ARISE.

10. ON THE PARTY SIDE, WHERE TENG WILL NEED TO WEIGH VIEWS WITH MORE HESITATION THAN CHOU DID, A NEW LEADERSHIP ARRANGEMENT HAS PROBABLY BEEN MADE INEVITABLE AS A RESULT OF THE CURRENT POLITICAL MOVEMENT. IT IS NOT NOW CLEAR WHO WILL EMERGE ON TOP. THE SHANGHAI-BASED LEADERS--CHANG CHUN-CHIAO, WANG HUNG-WEN, AND YAO WEN-YUAN--AND CHINAG CHING HAVE A MARGINALLY FAVORED CHANCE TO MOVE UP, ALTHOUGH THEY HAVE NOT COVERED THEMSELVES WITH GLORY IN THE CAMPAIGN THUS FAR. THEY STILL FALL SHORT OF ACHIEVING A SIGNIFICANT IMPROVEMENT IN THEIR WEAL POSITION AT THE PROVINCIAL LEVEL.

11. AS THINGS STAND NOW, THESE LEFTISTS HAVE COMMITTED THEMSELVES TO A BID FOR GREATER NATIONAL AUTHORITY, BUT THEY HAVE IMPROVED THEIR CONTROL OVER THE COUNTRY VERY LITTLE. THEY ARE NOT IN A SOLID POSITION TO DICTATE IN THE POST-SUCCESSION PERIOD AND TO CONSTRUCT A STRONG CENTRALIZED REGIME AFTER MAO. THEY ARE STILL HEAVILY DEPENDENT UPON MAO. UNLESS THEY CAN DO MUCH BETTER THAN THEY HAVE THUS FAR IN FIRING THE NATIONAL IMAGINATION AND TURNING BACK THE REVISIONIST TIDE, THEN THEY FACE A SOBER PROSPECT IN DEALING WITH THE IDEOLOGICAL BACKSLIDING WHICH IS LIKELY TO OCCUR AFTER MAO DIES.

12. EXACTLY HOW THIS AFFECTS THEIR POSITION ON SINO-U.S.

RELATIONS IS NOT KNOWN. WE WOULD GUESS THAT THE LEFT DOES NOT HAVE A WELL-DEFINED FOREIGN POLICY WHICH IT IS PREPARED TO ARTICULATE, AND THAT THE LEFT TENDS TO THREAD ITS WAY BETWEEN WHAT MAO SUPPORTS IN PRINCIPLE AND WHAT FALLS SHORT OF PRINCIPLE AND GOES VULNERABLY AMISS IN POLICY ADMINISTRATION. THE LEFT IS ISSUE-SEEKING AND THIS IS LIKELY TO MAKE PRC FUNCTIONARIES MORE CAUTIOUS AND RESERVED.

12. FUNDAMENTALLY, THE BASIS ON THE CHINESE SIDE FOR SEEKING NORMALIZATION OF SINO-U.S. RELATIONS HAS IN NO WAY CHANGED. THE SOVIET THREAT IS STILL THERE, ALONG WITH THE EXTENDED HANDS, VARIOUSLY SUSPECT, OF THE U.S., JAPAN, AND THE WEST. THERE IS ALSO THE VISIONARY PROSPECT IN CHINESE EYES OF GROWING THIRD
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WORLD INFLUENCE. WE SEE NO REASON TO CHANGE OUR EARLIER ASSESSMENT THAT THE REGIME'S FOREIGN POLICY AFTER MAO AND CHOU WILL CHANGE IN STYLE RATHER THAN SUBSTANCE. A CHANGE IN STYLE, REFLECTING LESS CONFIDENCE AND IMAGINATION AT THE STATE LEVEL, IS LIKELY TO BE IN EVIDENCE FOR THE NEXT SEVERAL MONTHS. INITIATIVE WILL DEPEND EVEN MORE EXCLUSIVELY UPON MAO.
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